

Center for Health Care Quality

2016 May Revision Estimate



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Center Overview

The California Department of Public Health (Public Health), Center for Health Care Quality (Center), Licensing & Certification Program, is responsible for regulatory oversight of licensed health care facilities and health care professionals to ensure safe, effective, and quality health care for all Californians. The Center fulfills this role by conducting periodic inspections and complaint investigations of health care facilities to ensure they comply with federal and state laws and regulations. The Center licenses and certifies over 7,500 health care facilities and agencies in California in more than 20 facility categories in 30 different licensure and certification categories.

The U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services awards federal grant monies to the Center to certify that facilities accepting Medicare and Medicaid (Medi-Cal) payments meet federal requirements. The Center evaluates health care facilities for compliance with state and federal laws and regulations, and contracts with the Los Angeles County Department of Public Health to certify health care facilities located in Los Angeles County.

In addition, the Center oversees the certification of nurse assistants, home health aides, hemodialysis technicians, and the licensing of nursing home administrators. These activities are funded by the State Department of Public Health Licensing and Certification Program Fund (Fund 3098), federal funds (Title XVIII and Title XIX Grants), reimbursement funds associated with interagency agreements with the Department of Health Care Services, and the General Fund to fund survey activities in state-owned facilities.

Center for Health Care Quality Budget Projections

Current Year 2015-16

The 2015 Budget Act appropriated \$246,769,000 to the Center. The Center projects a 2015-16 expenditure level of \$251,045,000, which is unchanged from the 2016-17 Governor's Budget.

Budget Year 2016-17

For 2016-17, the Center estimates expenditures will total \$266,288,000, an increase of \$2,133,707 or 0.8 percent compared to the Governor's Budget projection of \$264,154,000. This increase, from the State Department of Public Health Licensing & Certification Program Fund, is to augment the Los Angeles County contract for the following items: (1) a cost of living adjustment increase of 3 percent, effective October 2015; (2) an additional cost of living adjustment increase of 3 percent, effective October 2016; (3) an increase in the employee benefit rate from 55.136 percent to 57.836 percent; and (4) a reduction in the indirect cost rate from 33.221 percent to 31.416 percent.

The Center's workload analysis indicates an increase of 5.2 Health Facilities Evaluator Nurse positions and 3.9 support and supervisor positions (a total of 9.1 positions) are required to complete mandated workload. The Center is not requesting these positions at this time. The estimated 5.2 Health Facility Evaluator Nurses reflects a change of 0.9 percent compared with current staffing levels. The Center expects this type of variation from year to year, and may put forth a request in a future Estimate or Budget Change Proposal. Table 1 below compares the 2016-17 Governor's Budget with the 2016 May Revision Estimate.

Table 1
Comparison of 2016-17 Governor's Budget with 2016 May Revision
(\$ in thousands)

| Funding Source (\$ in thousands) | Current Year 2015-16 | | | | Budget Year 2016-17 | | | |
|---|---------------------------------|----------------------|---|---|---------------------------------|----------------------|---|--|
| | 2016-17 Governor's Budget | 2016 May Revision | Change from 2016- 17 Governor's Budget to 2016 May Revision | Percent Change from 2016 Governor's Budget to 2016 May Revision | 2016-17 Governor's Budget | 2016 May Revision | Change from 2016-17 Governor's Budget to 2016 May Revision | Percent Change from 2016- 17 Governor's Budget to 2016 May Revision |
| Appropriations Summary: | | | | | | | | |
| 0001 - General Fund transfer to fund 3098 | \$3,703 | \$3,703 | \$0 | 0.0% | \$3,703 | \$3,703 | \$0 | 0.0% |
| 0890 - Federal Trust Fund | \$93,413 | \$93,413 | \$0 | 0.0% | \$95,091 | \$95,091 | \$0 | 0.0% |
| 0942-222 - Internal Departmental Quality Improvement Account | \$2,303 | \$2,303 | \$0 | 0.0% | \$2,304 | \$2,304 | \$0 | 0.0% |
| 0942-601 - State Health Facilities Citation Penalty Account | \$2,144 | \$2,144 | \$0 | 0.0% | \$2,144 | \$2,144 | \$0 | 0.0% |
| 0942-605 - Federal Health Facilities Citation Penalty Account | \$973 | \$973 | \$0 | 0.0% | \$973 | \$973 | \$0 | 0.0% |
| 0995 - Reimbursements | \$15,460 | \$15,460 | \$0 | 0.0% | \$16,421 | \$16,421 | \$0 | 0.0% |
| 3098 - Licensing and Certification Program Fund | \$136,746 | \$136,746 | \$0 | 0.0% | \$147,218 | \$149,352 | \$2,134 | 1.4% |
| Less Transfer from General Fund 0001 | -\$3,700 | -\$3,700 | \$0 | 0.0% | -\$3,700 | -\$3,700 | \$0 | 0.0% |
| 3151 - Internal Health Information Integrity Quality Improvement Account* | \$3 | \$3 | \$0 | 0.0% | \$0 | \$0 | \$0 | 0.0% |
| Total Appropriations | \$251,045 | \$251,045 | \$0 | 0.0% | \$264,154 | \$266,288 | \$2,134 | 0.8% |
| Field Positions - Health Facility Evaluator Nurse | 600.2 | 600.2 | 0.0 | 0.0% | 600.2 | 600.2 | 0.0 | 0.0% |
| Field Positions - Other | 446.1 | 446.1 | 0.0 | 0.0% | 448.1 | 448.1 | 0.0 | 0.0% |
| Headquarters Positions | 251.0 | 251.0 | 0.0 | 0.0% | 251.0 | 251.0 | 0.0 | 0.0% |
| Center Positions | 1297.3 | 1297.3 | 0.0 | 0.0% | 1299.3 | 1299.3 | 0.0 | 0.0% |

Resource Estimate Methodology/Key Drivers of Cost

The Center's Estimate projects the workload associated with all programmatic functions and the corresponding number of positions needed to perform these functions.

The Center's workload is determined by the following cost drivers:

- **Facility Count** – The number of health care facilities to survey or investigate.
- **Activity Count** – The number of pending and projected activities for Center staff to perform. This is based on the Center's projections of the number of new and renewal licensing and certification surveys and complaint investigations the Center will conduct in 2016-17. Some activities, for example federal recertification surveys, must occur on a specified frequency. The Estimate includes the workload associated with the number of pending complaints the program anticipates will remain from prior years that will be completed in the budget year.
- **Standard Average Hours** – The number of hours needed to complete an activity. The Center calculates this number for each activity by facility type based

on the actual average time spent on the activity by facility type in the past three years.

To estimate the workload for each activity by facility type, the Center uses the following formulae:

- Complaint and other variable workload hours = Standard average hours x projected activity count.
- Survey workload hours = Standard average hours x facility count x required frequency.

The Center then calculates the amount of additional time associated with non-survey functions (e.g., federal and state training, meetings, etc.) to calculate the overall time required by Health Facilities Evaluator Nurses and Health Consultants. Finally, the Center uses the total number of Health Facilities Evaluator Nurses to calculate the number of supervisors and administrative positions needed to support these nurses.

Major Assumptions

Future Fiscal Issues

The Center has no future fiscal issues.

New Assumptions/Premises

The Center has no new assumptions/premises.

Existing (Significantly Changed) Assumptions/Premises

Los Angeles County Contract

Background: The Center executed a three-year contract agreement with Los Angeles County, effective July 1, 2015, to conduct federal certification and licensing survey activities at an annual amount of \$41,789,046 through 2017-18.

Description of Change: Los Angeles County is requesting a 2015-16 contract amendment and a 2016-17 contract augmentation to incorporate the following: (1) a cost of living adjustment increase of 3 percent effective October 2015; (2) an additional cost of living adjustment increase of 3 percent, effective October 2016; (3) an increase in the employee benefits rate from 55.136 percent to 57.836 percent; and (4) a reduction in the indirect cost rate from 33.221 percent to 31.416 percent.

Discretionary? Y/N: No.

Reason for Adjustment/ Change: This proposal will allow Los Angeles County to hire and fill all positions established and authorized in the contract. If CDPH does not augment the contract, Los Angeles County will not be able to hire the staff required to conduct the workload outlined in the scope of work.

Fiscal Impact: \$2,133,707 in 2016-17.

Licensing and Certification May Revision Updates

Background: The May Revision Estimate allows programs to update workload.

Description of Change: The Center's May Revision Estimate has four updates to the workload calculations:

- Facility counts as of December 31, 2015.
- Three-year average complaint and entity reported incident counts.
- Opened complaint counts as of December 31, 2015.
- Federal grant workload for federal fiscal year 2016.

Discretionary? Y/N: No.

Reason for Adjustment/Change:

- To update budget and workload.

Fiscal Impact: No fiscal impact.

Unchanged Assumptions/Premises

Budget Change Proposal HQ-02: Timely Investigations of Caregivers

Background: The Professional Certification Branch certifies nurse assistants, home health aides, and hemodialysis technicians, and licenses nursing home administrators (herein referred to as caregivers). It is also responsible for the investigation of allegations involving health care professionals and the enforcement of disciplinary actions. Federal and state laws require investigation of complaints against caregivers. These laws include Social Security Act sections 1819 and 1919, Title 42 of the Code of Federal Regulations, California Health and Safety Code sections 1337 and 1338, Business and Professions Code section 1247, and Government Code section 11400.

The Professional Certification Branch received 18.0 two-year limited-term positions in 2014-15 to support timely investigations of allegations/complaints of unprofessional conduct filed against caregivers.

The Professional Certification Branch has statutory authority to take administrative action against certificate holders and applicants due to criminal convictions and substantiated complaints. As the Professional Certification Branch completes investigations more timely, the number of investigations resulting in administrative actions will increase. Applicants or certificate holders may appeal these administrative actions. Analysts represent Public Health at administrative appeal hearings, while attorneys often represent appellants.

Administrative law judges increasingly require Public Health's analysts to provide complicated legal briefs, and require them to respond to questions of evidence and legal issues at hearings. The administrative law judges also frequently question why the Professional Certification Branch is not represented by attorneys similar to other departmental programs, such as the Woman, Infants, and Children Program, and challenge the analysts' qualifications to assume this role in the administrative hearings.

Description of Change: Convert the 18.0 two-year limited-term positions approved in 2014-15 to permanent authority, and authorize 2.0 additional positions for the Office of Legal Services to support the Professional Certification Branch.

Discretionary? Y/N: Yes.

Reason for Adjustment/Change: Converting the 18.0 two-year, limited-term positions to permanent authority will allow the Professional Certification Branch to improve the timeliness of complaint investigations from greater than one year to less than three months by 2018-19. Adding the 2.0 attorney positions to serve as the Professional Certification Branch's house counsel and litigation support will better represent Public Health at administrative appeal hearings. The Professional Certification Branch needs dedicated house counsel and litigation support to prepare for and testify at these hearings and address the administrative law judges' concerns about Public Health's representation at these hearings.

Fiscal Impact: \$2,495,000 in expenditure authority from the State Department of Public Health Licensing and Certification Program Fund in 2016-17 and ongoing.

Budget Change Proposal HQ-08: Licensing and Certification Program Quality Improvement Projects

Background: Pursuant to Health and Safety Code section 1280.15(f) the Internal Departmental Quality Improvement Account shall be used for internal quality improvement activities in the Licensing and Certification Program.

In a June 20, 2012 letter, the Centers for Medicare and Medicaid Services required Public Health to "conduct a comprehensive assessment of Public Health's entire survey and certification operations at not only its headquarters but also at each of the District Offices and the offices covered by its contractual agreement with Los Angeles County. The assessment must identify concerns, issues, and barriers related to Public Health's difficulty in meeting performance expectations."

The 2015 Budget Act includes \$2 million expenditure authority from the Internal Departmental Quality improvement Account for the Center to execute contracts in 2015-16 to further implement recommendations from the Hubbert Systems Consulting's report. One contract will evaluate the Center's recruitment efforts, and design and implement a comprehensive recruitment plan. The other contract will evaluate the Center's employee onboarding and employee retention efforts, and implement changes to existing onboarding and retention practices as necessary. The Center has also

purchased software to begin automating forms and processes within the Professional Certification Branch and the Centralized Applications Unit.

In 2016-17, the Center proposes to complete two additional projects to implement Hubbert System Consulting's recommendations. The first project is to redesign the Centralized Applications Unit information technology systems by replacing substantially paper-based processes with information technology solutions that will allow recording and tracking of multi-level facility ownership structures, as well as on-line applications and reporting features. The second project is to redesign the Health Facilities Consumer Information System. Established in 2008, the Health Facilities Consumer Information System provides consumers and patients access to information about the Center's licensed long-term care facilities and hospitals throughout the state. The website provides profile information for each facility, as well as performance history including complaints, facility self-reported incidents, state enforcement actions, and deficiencies identified by Public Health staff; the system also allows consumers to submit complaints to Public Health electronically.

Description of Change: The Center requests expenditure authority of \$2,000,000 in 2016-17 from the Internal Departmental Quality Improvement Account to implement program quality improvement projects recommended by Hubbert Systems Consulting.

Discretionary? Y/N: Yes.

Reason for Adjustment/Change: This proposal will allow the Center to address additional program quality improvement recommendations stemming from the Hubbert Systems Consulting report.

Fiscal Impact: \$2,000,000 in 2016-17 from the Internal Departmental Quality Improvement Account fund.

Discontinued Assumptions/Premises

The Center has no discontinued assumptions/premises.

Appendix A Fiscal Summary

Comparison of 2016-17 Governor's Budget with 2016 May Revision Estimate
(\$ in thousands)

| | A | B | C=B-A |
|--|---------------------------------|----------------------------------|-----------------|
| | 2016-17 Governor's Budget | 2016 May Revision Estimate | Request |
| I. BUDGET ITEMS: | | | |
| A. Headquarters | | | |
| Headquarters Sub-total | 44,616 | 44,616 | - |
| B. Field Operations | | | |
| Licensing and Certification Sub-total | 160,124 | 160,124 | - |
| Los Angeles County Contract Sub-total | 41,788 | 43,922 | 2,134 |
| State Facilities Section Sub-total | 5,670 | 5,670 | - |
| Field Operations Sub-total | 207,582 | 209,716 | 2,134 |
| C. Partial Year Adjustment | 4,298 | 4,298 | - |
| D. Pro Rata and SWCAP | 7,658 | 7,658 | - |
| E. Grand Total | \$ 264,154 | \$ 266,288 | \$ 2,134 |
| II. FUND SOURCES: | | | |
| A. General Fund (0001G) Transfer to L&C Special Fund (3098) | \$ 3,703 | \$ 3,703 | - |
| B. Federal Trust Fund (0890) | 95,091 | 95,091 | - |
| C. Special Deposit Fund (0942) | | | |
| 1. Internal Departmental Quality Improvement Account (IDQIA) (222) | 2,304 | 2,304 | - |
| 2. State Citation Penalty Account (601) | 2,144 | 2,144 | - |
| 3. Federal Citation Penalty Account (605)* | 973 | 973 | - |
| D. Reimbursement (0001R) | 16,421 | 16,421 | - |
| E. Internal Information Integrity Quality Improvement Account (3151) | - | - | - |
| F. L&C Program Fund (3098)* | 147,218 | 149,352 | 2,134 |
| (General Fund 0001) | (3,700) | (3,700) | - |
| G. Grand Total | \$ 264,154 | \$ 266,288 | \$ 2,134 |
| III. TOTAL CENTER POSITIONS: | | | |
| A. Headquarters | 245.0 | 245.0 | - |
| B. Field Operations - Licensing & Certification | 1,016.3 | 1,016.3 | - |
| C. Field Operations - State Facilities Section | 38.0 | 38.0 | - |
| D. Grand Total | 1,299.3 | 1,299.3 | - |

*Includes Local Assistance

Appendix B Position Summary

Comparison of 2016-17 Governor's Budget with 2016 May Revision Estimate

| | A | B | C | D=B+C | E=D-A |
|--|------------------------|-------------------------------|-----------------------------------|-------------------------------------|----------|
| | 2016 Governor's Budget | May Revision Estimate 2016-17 | Adjustments to workload analysis* | Final May Revision Estimate 2016-17 | Request |
| TOTAL CENTER POSITIONS | 1,299.3 | 1,308.4 | (9.1) | 1,299.3 | - |
| Headquarters | | | | | |
| Research & Operations Management Branch | 35.0 | 35.0 | - | 35.0 | - |
| Policy & Enforcement Branch (PEB) | 27.0 | 27.0 | - | 27.0 | - |
| Staffing Audit and Research (STAAR) Branch | 47.0 | 47.0 | - | 47.0 | - |
| Professional Certification Branch | 104.0 | 104.0 | - | 104.0 | - |
| Deputy Director's Office | 4.0 | 4.0 | - | 4.0 | - |
| Healthcare Associated Infections (HAI) Program | 16.0 | 16.0 | - | 16.0 | - |
| Division Office | 12.0 | 12.0 | - | 12.0 | - |
| Headquarters Total | 245.0 | 245.0 | - | 245.0 | - |
| Field Operations | | | | | |
| Administrative Staff | 134.2 | 134.2 | | 134.2 | - |
| Health Facility Evaluator Nurse | 576.2 | 593.2 | (17.0) | 576.2 | - |
| Consultants | 59.0 | 63.7 | (4.7) | 59.0 | - |
| Health Facility Evaluator II Supervisors | 105.3 | 107.5 | (2.2) | 105.3 | - |
| Support Staff | 115.8 | 115.1 | 0.7 | 115.8 | - |
| Life Safety Code – Health Facility Evaluator I | 15.8 | 15.8 | - | 15.8 | - |
| Life Safety Code - Health Facility Evaluator II Supervisors | 5.0 | 5.0 | - | 5.0 | - |
| Life Safety Code - Support Staff | 5.0 | 5.0 | - | 5.0 | - |
| Field Operations total | 1,016.3 | 1,039.5 | (23.2) | 1,016.3 | - |
| State Facilities Section | | | | | |
| Administrative Staff | 6.0 | 6.0 | - | 6.0 | - |
| Health Facility Evaluator Nurse | 24.0 | 12.2 | 11.8 | 24.0 | - |
| Consultants | - | 1.2 | (1.2) | - | - |
| Health Facility Evaluator II Supervisors | 3.0 | 2.1 | 0.9 | 3.0 | - |
| Support Staff | 5.0 | 2.4 | 2.6 | 5.0 | - |
| State Facilities Section & Life Safety Code Total | 38.0 | 23.9 | 14.1 | 38.0 | - |
| Total Field Operations Health Facility Evaluator Nurses | 600.2 | 605.4 | (5.2) | 600.2 | - |

*Reflects adjustments to not request an increase in position authority.

Appendix C

Detailed Assumptions

1. Methodology:

To estimate the workload for each facility type, the Center uses the following general formulae:

- Complaint workload = Standard average hours x activity count (projected complaints).
- Survey workload = Standard average hours x facility count x required frequency (if applicable).

The Center then estimates the positions needed to accomplish the workload. Specifically, the formula for estimating positions is:

Health Facilities Evaluator Nurse positions (for complaints, entity reported incidents, and other non-periodic workload):

- Health Facilities Evaluator Nurse = ([standard average hour x activity count]/non-survey factor)/1,800 hours.

Health Facilities Evaluator Nurse positions (for surveys):

- Health Facilities Evaluator Nurse = ([standard average hour x facility count x mandated frequency rate]/non-survey factor)/1,800 hours.

Supervisor and support staff positions:

- Supervisors = 1 supervisor to 6 Health Facilities Evaluator Nurses.
- Support staff for state workload = 1 support staff to 6 (Health Facilities Evaluator Nurses and Supervisors).
- Support staff for federal workload = 1 support staff to 5 Health Facilities Evaluator Nurses/supervisor.

2. Facility Counts:

A health facility means any facility or building that is organized, maintained, and operated for the diagnosis, care, prevention, and treatment of human illness, physical or mental, including convalescence and rehabilitation and including care during and after pregnancy, or for any one or more of these purposes, for one or more persons, to which the persons are admitted for a 24-hour stay or longer.

- Facilities are counted by facility type (e.g., Skilled Nursing Facility, General Acute Care Hospital, Home Health Agency, etc.), and facilities opened as of a point-in-time of the current fiscal year as reported by the Centers for Medicare and Medicaid Services' Automated Survey Processing Environment for certified facilities, and facilities open as of July 2015 as reported in the Electronic Licensing Management System.
- Only active and open main facilities and skilled nursing distinct part facilities are counted for purposes of this Estimate.
- For some facility types, there may be a difference in the number of licensed facilities versus the number of certified facilities. This is due to some facilities being licensed only or certified only. Additionally, there may be minor discrepancies due to the use of different data sources required by the Centers

for Medicare and Medicaid Services, and/or the timing of data reconciliation activities.

Facility counts were updated as of December 31, 2015.

3. **Health Care Facility List:**

The Center has added “Community Mental Health Center” as a new facility in the Community Clinic category in 2015-16.

- Adult Day Health Centers
- Alternative Birthing Centers
- Acute Psychiatric Hospitals
- Chronic Dialysis Clinics
- Chemical Dependency Recovery Hospitals
- Congregate Living Health Facilities
- Community Clinic/Free Clinic/Community Mental Health Center
- Correctional Treatment Centers
- General Acute Care Hospitals
- Home Health Agencies
- Hospice
- Hospice Facilities
- Intermediate Care Facilities
- Intermediate Care Facilities – Developmentally Disabled (DD):
DD-Habilitative; DD-Nursing
- Pediatric Day Health/Respite Care
- Psychology Clinics
- Referral Agencies
- Rehabilitation Clinics
- Skilled Nursing Facilities
- Surgical Clinics

4. **Survey Activities:**

Licensing survey activities are based on state mandated requirements. State licensing surveys include the following activities performed by surveyors:

- Re-licensure
- Re-licensure – Follow-up
- Initial Licensure
- Initial Licensure – Follow-up
- Complaint Investigations/Entity Reported Incident Investigations – State
- Field Visits
- Review Medical Error Plan

Certification survey activities are based on the federal Centers for Medicare and Medicaid Services’ tiered activity requirements. Federal certification surveys include the following activities performed by surveyors:

- Re-certification
- Re-certification – Follow-up

- Initial Certification
- Initial Certification – Follow-up
- Life Safety Code
- Life Safety Code – Follow-up
- Complaint/Entity Reported Investigations – Federal
- Complaint Validation
- Validation
- Validation – Follow-up
- Informal Dispute Resolution
- Federal Hearings
- Pre-Referral Hearings
- Monitoring Visits

5. Time Entry and Activity Management:

The provisions of Health and Safety Code section 1266(e) require the Center to capture and report workload data by category (survey activity and facility type). The Time Entry and Activity Management system captures data on the number of survey counts and the total hours spent for each survey activity to determine the standard average hours that it takes to accomplish specific workload.

6. Survey Workload:

Survey workload is either state mandated (licensing survey) or federal Centers for Medicare and Medicaid Services mandated (certification survey).

7. Standard Average Hours:

Standard average hours are the average hours each survey activity takes to complete. The Center used July 1, 2012 through June 30, 2015 closed complaints and exited survey data to calculate standard average hours for this Estimate.

8. Complaint and Entity Reported Incident Counts:

Complaint and entity reported incident counts are based on a three-year average of all complaints and entity reported incidents received between January 1, 2013 through December 31, 2015 as reported in the Automated Survey Processing Environment database.

9. Opened Complaints and Entity Reported Incidents:

Includes all open complaints and entity reported incidents as of December 31, 2015.

10. Annualized Workload Hours:

Annualized workload is determined by the corresponding state or federal mandated survey requirements, multiplied by the standard average hours that have been adjusted to include non-survey administration hours.

11. Surveyor Positions:

Surveyor positions consist of Health Facilities Evaluator Nurses and Medical Consultants. Consultant positions make up 9.46 percent of total surveyors. The

Center uses 1,800 functional hours per position per year for state field operations staff. The Los Angeles County contract uses 1,760 functional hours per position per year for its equivalent staff.

12. Position Classification Costing:

Salaries for Headquarters and Field Operations administrative staff are based on the mid-step salary range and varying rates of travel, as reflected in the Operating Expenses and Equipment costs (chart below). Operating expenses and equipment costs are based on standard costs for the department. The Health Facility Evaluator Nurse classification includes high travel for all surveyors, and additional training costs of \$3,472.

Operating Expenses and Equipment

| STANDARD COSTS | FY 2015/16 | FY 2016/17 |
|--------------------|------------|------------|
| General Expense | \$ 3,400 | \$ 3,400 |
| Printing | 1,800 | 1,800 |
| Communications | 1,300 | 1,300 |
| Travel – Light | 3,000 | 3,000 |
| Travel – Medium | 7,500 | 7,500 |
| Travel – High | 13,000 | 13,000 |
| Training | 300 | 300 |
| Facilities | 10,500 | 10,500 |
| Data Center | 300 | 300 |
| Office Automation* | 2,000 | 2,000 |

*onetime cost to set up new positions

ADDITIONAL COSTS

| | | |
|---------------|----------|----------|
| HFEN Training | \$ 3,472 | \$ 3,472 |
|---------------|----------|----------|

- Operating expenses and equipment costs for all non-Health Facility Evaluator Nurses have been reduced to reflect light travel in 2016-17.
- Cost factors for Los Angeles County positions are budgeted in accordance with Contract agreement #15-10003.

13. Staffing Ratios:

State Ratios:

- The allocation of the Health Facility Evaluator II Supervisor positions is computed using a (1:6) ratio: 1 Health Facility Evaluator II Supervisor for every 6 Health Facility Evaluator Nurses.
- The allocation of the Program Technician II positions is computed using a (1:6) ratio: 1 Program Technician II for every 6 of the combined Health Facility Evaluator Nurses/Health Facility Evaluator II Supervisor.

Federal Ratios:

- The allocation of the Health Facility Evaluator II Supervisor positions is computed using a (1:5) ratio: 1 Health Facility Evaluator II Supervisor for every 5 Health Facility Evaluator Nurses.
- The allocation of the Program Technician II positions is computed using a (1:5) ratio: 1 Program Technician II for every 5 Health Facility Evaluator Nurses.

The Los Angeles County contract uses the same state and federal staffing ratios listed above.

14. All surveyor workload and related administrative costs for Los Angeles County Contract #15-10003 are displayed separately, and \$41,789,046 is used as the annual base.

15. Federal grant workload has been updated to reflect the 2016 grant.

16. Fund Sources:

- General Fund (0001G)
- Federal Trust (0890):
 - Title XVIII Long Term Care
 - Title XVIII Non-Long Term Care
 - Title XVIII Hospice Care
 - Title XIX Long Term Care
 - Title XIX Non-Long Term Care
- Special Deposit Fund (0942)
 - Internal Departmental Quality Improvement Account (222)
 - Skilled Nursing Facility Minimum Staffing Penalty Account (248)
 - State Health Facilities Citation Penalties Account (601)
 - Federal Health Facilities Citation Penalties Account (605)
- Reimbursement (0001R)
- State Department of Public Health Licensing & Certification Program Fund (3098)
- Internal Health Information Integrity Quality Improvement Account (3151)

17. Contract costs are included for executed contracts only.

Changes to Detailed Assumptions from the 2016-17 November Estimate

- Item 2, facility counts were updated as of December 31, 2015.
- Item 8, updated three-year average complaint and entity reported incident counts.
- Item 9, open complaint counts were updated as of December 31, 2015.
- Item 15, federal grant workload was updated to reflect the 2016 grant.

Appendix D

Field Operations Workload Driver Summary Chart

2015 November Estimate vs. 2016 May Revision Estimate for FY 2016-17

| Facility Type | Facility Count | | Estimated Activity Count | Estimated Activity Hours | Total Estimated Cost (\$ in thousands) | Funds | | |
|--|----------------|-------|--------------------------|--------------------------|--|-------------|--------------|--------------|
| | Federal | State | | | | Reimb. Fund | Federal Fund | Special Fund |
| TOTALS | | | | | | | | |
| 2016-17 May Revision Estimate | 6,651 | 5,724 | 61,480 | 1,564,141 | \$ 175,746 | \$ - | \$ 79,552 | \$ 96,194 |
| 2016-17 November Estimate | 6,617 | 5,564 | 60,849 | 1,590,584 | \$ 179,247 | \$ - | \$ 84,302 | \$ 94,945 |
| INC/(DEC) | 34 | 160 | 631 | (26,443) | (\$3,502) | \$ - | (\$4,750) | \$ 1,248 |
| 1. Alternative Birthing Centers (ABC) | | | | | | | | |
| 2016-17 May Revision Estimate | - | 10 | 5 | 134 | \$ 14 | \$ - | \$ - | \$ 14 |
| 2016-17 November Estimate | - | 11 | 5 | 140 | \$ 1 | \$ - | \$ - | \$ 1 |
| INC/(DEC) | | (1) | - | - | \$ 12 | \$ - | \$ - | \$ 12 |
| 2. Adult Day Health Centers (ADHC) | | | | | | | | |
| 2016-17 May Revision Estimate | - | 265 | 206 | 9,848 | \$ 1,014 | \$ - | \$ - | \$ 1,014 |
| 2016-17 November Estimate | - | 266 | 207 | 9,923 | \$ 1,021 | \$ - | \$ - | \$ 1,021 |
| INC/(DEC) | | (1) | (2) | (80) | (\$8) | \$ - | \$ - | (\$8) |
| 3. Acute Psychiatric Hospitals (APH) | | | | | | | | |
| 2016-17 May Revision Estimate | 38 | 37 | 857 | 14,133 | \$ 1,508 | \$ - | \$ 215 | \$ 1,293 |
| 2016-17 November Estimate | 37 | 37 | 830 | 15,008 | \$ 1,624 | \$ - | \$ 380 | \$ 1,244 |
| INC/(DEC) | 1 | - | 27 | (875) | (\$116) | \$ - | (\$165) | \$ 49 |
| 4. Chronic Dialysis Clinics (CDC) | | | | | | | | |
| 2016-17 May Revision Estimate | 614 | 21 | 753 | 47,728 | \$ 5,232 | \$ - | \$ 4,096 | \$ 1,136 |
| 2016-17 November Estimate | 597 | 24 | 810 | 56,962 | \$ 6,249 | \$ - | \$ 4,997 | \$ 1,252 |
| INC/(DEC) | 17 | (3) | (57) | (9,234) | (\$1,017) | \$ - | (\$901) | (\$116) |
| 5. Chemical Dependency Recovery (CDR) | | | | | | | | |
| 2016-17 May Revision Estimate | - | 7 | 48 | 1,048 | \$ 108 | \$ - | \$ - | \$ 108 |
| 2016-17 November Estimate | - | 7 | 47 | 1,044 | \$ 108 | \$ - | \$ - | \$ 108 |
| INC/(DEC) | | - | 0 | - | \$ 0 | \$ - | \$ - | \$ 0 |
| 6. Congregate Living Health Facilities (CLHF) | | | | | | | | |
| 2016-17 May Revision Estimate | - | 107 | 149 | 3,190 | \$ 362 | \$ - | \$ - | \$ 362 |
| 2016-17 November Estimate | - | 94 | 139 | 3,030 | \$ 346 | \$ - | \$ - | \$ 346 |
| INC/(DEC) | | 13 | 10 | 160 | \$ 16 | \$ - | \$ - | \$ 16 |
| 7. Community Clinic/Free Clinic (CC) | | | | | | | | |
| 2016-17 May Revision Estimate | 357 | 1,148 | 1,065 | 26,480 | \$ 2,766 | \$ - | \$ 478 | \$ 2,288 |
| 2016-17 November Estimate | 330 | 1,105 | 1,030 | 25,857 | \$ 2,702 | \$ - | \$ 452 | \$ 2,250 |
| INC/(DEC) | 27 | 43 | 35 | 623 | \$ 64 | \$ - | \$ 26 | \$ 38 |
| 8. Correctional Treatment Centers (CTC) | | | | | | | | |
| 2016-17 May Revision Estimate | - | 21 | 559 | 8,165 | \$ 840 | \$ - | \$ - | \$ 840 |
| 2016-17 November Estimate | - | 21 | 547 | 8,042 | \$ 828 | \$ - | \$ - | \$ 828 |
| INC/(DEC) | | - | 12 | 120 | \$ 13 | \$ - | \$ - | \$ 13 |
| 9. General Acute Care Hospitals (GACH) | | | | | | | | |
| 2016-17 May Revision Estimate | 446 | 426 | 16,904 | 313,563 | \$ 34,422 | \$ - | \$ 7,325 | \$ 27,097 |
| 2016-17 November Estimate | 435 | 426 | 16,618 | 316,264 | \$ 35,164 | \$ - | \$ 8,660 | \$ 26,504 |
| INC/(DEC) | 11 | - | 286 | (2,701) | (\$742) | \$ - | (\$1,335) | \$ 593 |
| 10. Home Health Agencies (HHA) | | | | | | | | |
| 2016-17 May Revision Estimate | 1,299 | 262 | 1,282 | 70,879 | \$ 8,139 | \$ - | \$ 4,950 | \$ 3,189 |
| 2016-17 November Estimate | 1,291 | 214 | 1,234 | 72,537 | \$ 8,359 | \$ - | \$ 5,281 | \$ 3,077 |
| INC/(DEC) | 8 | 48 | 48 | (1,658) | (\$220) | \$ - | (\$332) | \$ 112 |

Appendix D (Continued)

Field Operations Workload Driver Summary Chart

2015 November Estimate vs. 2016 May Revision Estimate for FY 2016-17

| Facility Type | Facility Count | | Estimated Activity Count | Estimated Activity Hours | Total Estimated Cost (\$ in thousands) | Funds | | |
|--|----------------|-------|--------------------------|--------------------------|--|-------------|--------------|--------------|
| | | | | | | Reimb. Fund | Federal Fund | Special Fund |
| 11. Hospice (H) | | | | | | | | |
| 2016-17 May Revision Estimate | 638 | 928 | 556 | 17,737 | \$ 2,069 | \$ - | \$ 1,181 | \$ 888 |
| 2016-17 November Estimate | 640 | 860 | 566 | 17,041 | \$ 1,938 | \$ - | \$ 1,138 | \$ 801 |
| INC/(DEC) | (2) | 68 | (10) | 696 | \$ 131 | \$ - | \$ 44 | \$ 87 |
| 12. Hospice Facilities (HOFA) | | | | | | | | |
| 2016-17 May Revision Estimate | - | 10 | 13 | 440 | \$ 45 | \$ - | \$ - | \$ 45 |
| 2016-17 November Estimate | - | 8 | 12 | 411 | \$ 42 | \$ - | \$ - | \$ 42 |
| INC/(DEC) | - | 2 | 1 | 29 | \$ 3 | \$ - | \$ - | \$ 3 |
| 13. Intermediate Care Facilities (ICF) | | | | | | | | |
| 2016-17 May Revision Estimate | - | 5 | 1,482 | 19,715 | \$ 2,029 | \$ - | \$ - | \$ 2,029 |
| 2016-17 November Estimate | - | 5 | 1,495 | 19,875 | \$ 2,046 | \$ - | \$ - | \$ 2,046 |
| INC/(DEC) | - | - | (13) | (160) | (\$16) | \$ - | \$ - | (\$16) |
| 14. ICF-DD/DDH/DDN | | | | | | | | |
| 2016-17 May Revision Estimate | 1,160 | 1,175 | 9,822 | 172,605 | \$ 18,919 | \$ - | \$ 7,710 | \$ 11,208 |
| 2016-17 November Estimate | 1,182 | 1,181 | 9,887 | 175,807 | \$ 19,384 | \$ - | \$ 8,071 | \$ 11,313 |
| INC/(DEC) | (22) | (6) | (65) | (3,202) | (\$466) | \$ - | (\$361) | (\$104) |
| 15. Pediatric Day Health/Respite (PDHR) | | | | | | | | |
| 2016-17 May Revision Estimate | - | 16 | 15 | 1,142 | \$ 118 | \$ - | \$ - | \$ 118 |
| 2016-17 November Estimate | - | 16 | 14 | 1,134 | \$ 117 | \$ - | \$ - | \$ 117 |
| INC/(DEC) | - | - | 0 | 10 | \$ 1 | \$ - | \$ - | \$ 1 |
| 16. Psychology Clinics (PC) | | | | | | | | |
| 2016-17 May Revision Estimate | - | 22 | 7 | 439 | \$ 45 | \$ - | \$ - | \$ 45 |
| 2016-17 November Estimate | - | 22 | 7 | 439 | \$ 45 | \$ - | \$ - | \$ 45 |
| INC/(DEC) | - | - | - | - | \$ - | \$ - | \$ - | \$ - |
| 17. Referral Agencies (RA) | | | | | | | | |
| 2016-17 May Revision Estimate | - | 3 | 1 | 64 | \$ 7 | \$ - | \$ - | \$ 7 |
| 2016-17 November Estimate | - | 2 | 1 | 64 | \$ 7 | \$ - | \$ - | \$ 7 |
| INC/(DEC) | - | 1 | - | - | \$ - | \$ - | \$ - | \$ - |
| 18. Rehabilitation Clinics (RC) | | | | | | | | |
| 2016-17 May Revision Estimate | 105 | 12 | 38 | 3,352 | \$ 357 | \$ - | \$ 275 | \$ 81 |
| 2016-17 November Estimate | 111 | 12 | 49 | 4,309 | \$ 462 | \$ - | \$ 384 | \$ 77 |
| INC/(DEC) | (6) | - | (11) | (957) | (\$105) | \$ - | (\$109) | \$ 4 |
| 19. Skilled Nursing Facilities (SNF) | | | | | | | | |
| 2016-17 May Revision Estimate | 1,227 | 1,243 | 27,183 | 819,207 | \$ 93,893 | \$ - | \$ 50,064 | \$ 43,829 |
| 2016-17 November Estimate | 1,232 | 1,248 | 26,900 | 827,688 | \$ 94,852 | \$ - | \$ 51,570 | \$ 43,282 |
| INC/(DEC) | (5) | (5) | 283 | (8,481) | (\$959) | \$ - | (\$1,506) | \$ 547 |
| 20. Surgical Clinics (SC) | | | | | | | | |
| 2016-17 May Revision Estimate | 767 | 6 | 536 | 34,272 | \$ 3,859 | \$ - | \$ 3,257 | \$ 602 |
| 2016-17 November Estimate | 762 | 5 | 450 | 35,008 | \$ 3,952 | \$ - | \$ 3,368 | \$ 585 |
| INC/(DEC) | 5 | 1 | 87 | (737) | (\$94) | \$ - | (\$111) | \$ 17 |

Facility Type Workload Driver Comparisons for each of the 20 facility types is available on CD.

Appendix E

Revenue Summaries

| FY 2015-16 | | | | | | | | | |
|---|---------------|-------------|-------------------|-----------------------|---------------------------|-----------------------|-----------------------|------------------|------------|
| | Calstars Code | Fiscal Code | Federal Fund 0890 | L&C Program Fund 3098 | Special Deposit Fund 0942 | General Fund 0001 "G" | General Fund 0001 "R" | IHHQIA Fund 3151 | TOTAL |
| (\$ in thousands) | | | | | | | | | |
| Revenue Projection by Fund Totals (November Estimate) | | | \$ 89,656 | \$ 91,032 | \$ 9,276 | \$ 3,700 | \$ 14,805 | \$ - | \$ 208,469 |
| L&C Program Fund 3098 | | | | | | | | | |
| Other Regulatory Licenses and Permits | 125700 | 4129400 | | \$ 90,839 | | | | | \$ 90,839 |
| Miscellaneous Services to the Public | 142500 | 4143500 | | \$ 17 | | | | | \$ 17 |
| Income from Surplus Money Investments | 150300 | 4163000 | | \$ 176 | | | | | \$ 176 |
| Internal Health Information Integrity Quality Improvement Account 3151 | | | | | | | | | |
| Fines and Penalties - External - Other | 217900 | 4172240 | | | | | | \$ - | \$ - |
| Special Deposit Fund 0942 | | | | | | | | | |
| LTC State Civil Money Penalties | 217600 | 4172220 | | | \$ 2,391 | | | | \$ 2,391 |
| Income from Surplus Money Investments | 250300 | 4163000 | | | \$ 34 | | | | \$ 34 |
| Federal Citation Fines and Penalties External | 217400 | 4172240 | | | \$ 1,987 | | | | \$ 1,987 |
| Income from Surplus Money Investments | 250300 | 4163000 | | | \$ 17 | | | | \$ 17 |
| SB 1301 Health Facilities Reporting/Inspection Penalties | 217600 | 4172220 | | | \$ 396 | | | | \$ 396 |
| SB 1312 Health Care Facilities Penalties | 217600 | 4172220 | | | \$ 3,776 | | | | \$ 3,776 |
| Income from Surplus Money Investments | 250300 | 4163000 | | | \$ 45 | | | | \$ 45 |
| Skilled Nursing Facility Quality and Accountability | 217600 | 4172220 | | | \$ 630 | | | | \$ 630 |
| Federal Fund 0890 | | | | | | | | | |
| Title 18 Long Term Care (LTC), Project No. 93777S | 493777 | 4400000 | \$ 32,918 | | | | | | \$ 32,918 |
| Title 18 Non-long Term Care (NLTC), Project No. 31006S | 493777 | 4400000 | \$ 11,386 | | | | | | \$ 11,386 |
| Title 18 NLTC - Hospice, Project No. 31070S | 493777 | 4400000 | \$ 761 | | | | | | \$ 761 |
| Title 19 Long Term Care (LTC) Project No. 93779S | 493778 | 4400000 | \$ 37,435 | | | | | | \$ 37,435 |
| Title 19 Non-long Term Care (NLTC), Project No. 93780S | 493778 | 4400000 | \$ 6,154 | | | | | | \$ 6,154 |
| Enhanced Background Check Process, Project No. 93506 | 493506 | 4400000 | \$ 1,002 | | | | | | \$ 1,002 |
| General Fund 0001 "R" Reimbursements (0995) | | | | | | | | | |
| AB 1629 and SB 853 (Project No. 31145) | 991913 | 4810000 | | | | | \$ 7,120 | | \$ 7,120 |
| Medi-cal Title 19 Reimbursements (Project No. RLC16S) | 991913 | 4810000 | | | | | \$ 49 | | \$ 49 |
| Provider Certification, Aide and Tech Certification and Central Applications (Project No. RLNC15) | 991913 | 4810000 | | | | | \$ 7,636 | | \$ 7,636 |
| General Fund 0001 "G" | | | | | | | | | |
| General Fund Transfer State Facilities Section Allocation | | | | | | \$ 3,700 | | | \$ 3,700 |

Descriptions:

Schedule 10R - Schedule of Revenues and Transfers. The schedule 10Rs are required to report General Fund and Special Fund revenue and transfer data for the preparation of the Governor's Budget and other special budget processes.

General Fund - 0001 Government Code sections 16300-16315. The General Fund has existed since the beginning of the State as a political entity. It is the principal operating fund for the majority of governmental activities, and consists of all money received in the Treasury that is not required by law to be credited to any other fund.

Reimbursement Fund - General Fund 0001 "R" Reimbursement. This is a fund for budgetary purposes only. It is set up separately as a General Fund Special Account and is used in the schedule of appropriation for reimbursements. Reimbursement Fund 0995 is used in this purpose to capture the funding source.

General Fund for State Facilities Section - General Fund 0001 "G" General. General Fund "G" is the funding source to recoup fees for survey cost incurred in fee exempt state-owned facilities, including the state match cost of survey performed in certified-only facilities. Funding is specifically appropriated from the General Fund in the annual Governor's Budget or other enacted legislation.

Federal Trust Fund - 0890 Chapter 1284, Statutes of 1978. Government Code sections 16360-16365. Section 16361 of the Government Code appropriates the fund, "...without regard to fiscal year, for expenditure for the purposes for which the money deposited therein is made available by the United States for expenditure by the state."

Title XVIII - Social Security Act, 1864(a). Medicare health insurance for the aged and disabled.

Title XIX - Social Security Act, 1902(a)(33)(B). Medicaid low income program that pays for the medical assistance for individuals and families of low income and limited resources.

Special Deposit Fund - 0942 Government Code sections 16370-16375, and 16377 provide that the fund is appropriated to fulfill the purposes for which payments into it are made. The fund was created by Statute in 1880 and codified by the Statutes of 1907 as Section 453a of the Political Code.

Special Fund - 3098 Chapter 483, Statutes of 2007 (SB 1039), Health and Safety Code section 1266.9. This fund is created in Chapter 528, Statutes of 2006. Original Administrative Organization Code 4260 was changed to 4265 when the Department of Health Services split into two departments effective July 2007, according to Chapter 241, Statutes of 2007 (SB162). This fund, originally titled the State Department of Health Services Licensing and Certification Program Fund, was retitled to the State Department of Public Health Licensing and Certification Program Fund in Chapter 483, Statutes of 2006 (SB1039). Its purpose is to support the Licensing and Certification Program's operation.

Internal Health Information Integrity Quality Improvement Account - Fund 3151 - Chapter 602, Statutes of 2008 (AB 211) Section 2, Health and Safety Code section 130204. This fund is newly established for the Center of Health Care Quality, Licensing and Certification Program effective July 1, 2015 per the Budget Act for the purpose of supporting quality improvement activities relating to Health Information Integrity. The administering organization for this fund was originally the California Health and Human Services Agency (Org. 0530).

Appendix E (Continued)

Revenue Summaries

| FY 2016-17 | | | | | | | | | |
|---|---------------|-------------|-------------------|-----------------------|---------------------------|-----------------------|-----------------------|-------------------|------------|
| | Calstars Code | Fiscal Code | Federal Fund 0890 | L&C Program Fund 3098 | Special Deposit Fund 0942 | General Fund 0001 "G" | General Fund 0001 "R" | IHIIQIA Fund 3151 | TOTAL |
| (\$ in thousands) | | | | | | | | | |
| Revenue Projection by Fund Totals (May Revision Estimate) | | | \$ 89,331 | \$ 123,109 | \$ 9,276 | \$ 3,700 | \$ 14,805 | \$ - | \$ 240,221 |
| L&C Program Fund 3098 | | | | | | | | | |
| Other Regulatory Licenses and Permits | 125700 | 4129400 | | \$ 122,916 | | | | | \$ 122,916 |
| Miscellaneous Services to the Public | 142500 | 4143500 | | \$ 17 | | | | | \$ 17 |
| Income from Surplus Money Investments | 150300 | 4163000 | | \$ 176 | | | | | \$ 176 |
| Internal Health Information Integrity Quality Improvement Account 3151 | | | | | | | | | |
| Fines and Penalties - External - Other | 217900 | 4172240 | | | | | | \$ - | \$ - |
| Special Deposit Fund 0942 | | | | | | | | | |
| LTC State Civil Money Penalties | 217600 | 4172220 | | | \$ 2,391 | | | | \$ 2,391 |
| Income from Surplus Money Investments | 250300 | 4163000 | | | \$ 34 | | | | \$ 34 |
| Federal Citation Fines and Penalties External | 217400 | 4172240 | | | \$ 1,987 | | | | \$ 1,987 |
| Income from Surplus Money Investments | 250300 | 4163000 | | | \$ 17 | | | | \$ 17 |
| SB 1301 Health Facilities Reporting/Inspection Penalties | 217600 | 4172220 | | | \$ 396 | | | | \$ 396 |
| SB 1312 Health Care Facilities Penalties | 217600 | 4172220 | | | \$ 3,776 | | | | \$ 3,776 |
| Income from Surplus Money Investments | 250300 | 4163000 | | | \$ 45 | | | | \$ 45 |
| Skilled Nursing Facility Quality and Accountability | 217600 | 4172220 | | | \$ 630 | | | | \$ 630 |
| Federal Fund 0890 | | | | | | | | | |
| Title 18 Long Term Care (LTC), Project No. 93777S | 493777 | 4400000 | \$ 33,401 | | | | | | \$ 33,401 |
| Title 18 Non-long Term Care (NLTC), Project No. 31006S | 493777 | 4400000 | \$ 11,567 | | | | | | \$ 11,567 |
| Title 18 NLTC - Hospice, Project No. 31070S | 493777 | 4400000 | \$ 774 | | | | | | \$ 774 |
| Title 19 Long Term Care (LTC) Project No. 93779S | 493778 | 4400000 | \$ 37,435 | | | | | | \$ 37,435 |
| Title 19 Non-long Term Care (NLTC), Project No. 93780S | 493778 | 4400000 | \$ 6,154 | | | | | | \$ 6,154 |
| Enhanced Background Check Process, Project No. 93506 | 493506 | 4400000 | \$ - | | | | | | \$ - |
| General Fund 0001 "R" : Reimbursements (0995) | | | | | | | | | |
| AB 1629 and SB 853, Project No. 31145 | 991913 | 4810000 | | | | | \$ 7,120 | | \$ 7,120 |
| Medi-cal Title 19 Reimbursements, Project No. RLC16S-50 | 991913 | 4810000 | | | | | \$ 49 | | \$ 49 |
| Provider Certification, Aide and Tech Certification and Central Applications, Project No. RLNC15-50 | 991913 | 4810000 | | | | | \$ 7,636 | | \$ 7,636 |
| General Fund 0001 "G" | | | | | | | | | |
| General Fund Transfer State Facilities Section Allocation | | | | | | \$ 3,700 | | | \$ 3,700 |

Descriptions:

Schedule 10R - Schedule of Revenues and Transfers. The schedule 10Rs are required to report General Fund and Special Fund revenue and transfer data for the preparation of the Governor's Budget and other special budget processes.

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Reimbursement Fund - General Fund 0001 "R" Reimbursement. This is a fund for budgetary purposes only. It is set up separately as a General Fund Special Account and is used in the schedule of appropriation for reimbursements. Reimbursement Fund 0995 is used in this purpose to capture the funding source.

General Fund for State Facilities Section - General Fund 0001 "G" General. General Fund "G" is the funding source to recoup fees for survey cost incurred in fee exempt state-owned facilities, including the state match cost of survey performed in certified-only facilities. Funding is specifically appropriated from the General Fund in the annual Governor's Budget or other enacted legislation.

Federal Trust Fund - 0890 Chapter 1284, Statutes of 1978. Government Code sections 16360-16365. Section 16361 of the Government Code appropriates the fund, "...without regard to fiscal year, for expenditure for the purposes for which the money deposited therein is made available by the United States for expenditure by the state."

Title XVIII - Social Security Act, 1864(a). Medicare health insurance for the aged and disabled.

Title XIX - Social Security Act, 1902(a)(33)(B). Medicaid low income program that pays for the medical assistance for individuals and families of low income and limited resources.

Special Deposit Fund - 0942 Government Code sections 16370-16375, and 16377 provide that the fund is appropriated to fulfill the purposes for which payments into it are made. The fund was created by Statute in 1880 and codified by the Statutes of 1907 as Section 453a of the Political Code.

Special Fund - 3098 Chapter 483, Statutes of 2007 (SB 1039), Health and Safety Code section 1266.9. This fund is created in Chapter 528, Statutes of 2006. Original Administrative Organization Code 4260 was changed to 4265 when the Department of Health Services split into two departments effective July 2007, according to Chapter 241, Statutes of 2007 (SB162). This fund, originally titled the State Department of Health Services Licensing and Certification Program Fund, was retitled to the State Department of Public Health Licensing and Certification Program Fund in Chapter 483, Statutes of 2006 (SB1039). Its purpose is to support the Licensing and Certification Program's operation.

Internal Health Information Integrity Quality Improvement Account - Fund 3151 - Chapter 602, Statutes of 2008 (AB 211) Section 2, Health and Safety Code section 130204. This fund is newly established for the Center of Health Care Quality, Licensing and Certification Program effective July 1, 2015 per the Budget Act for the purpose of supporting quality improvement activities relating to Health Information Integrity. The administering organization for this fund was originally the California Health and Human Services Agency (Org. 0530).

Appendix F

Fund Condition Statements

3098 State Department of Public Health Licensing and Certification Program Fund

| | 2014-15 | 2015-16 | 2016-17 |
|---|----------------------|----------------------|---------------------|
| BEGINNING BALANCE | \$ 73,753,000 | \$ 67,193,000 | \$ 24,593,000 |
| Prior year adjustments | 2,963,000 | | |
| Adjusted Beginning Balance | \$ 76,716,000 | \$ 67,193,000 | \$ 24,593,000 |
| REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS | | | |
| Revenues: | | | |
| 4129400 - Other Regulatory Licenses and Permits (1257) | 77,970,000 | 90,839,000 | 122,916,000 |
| 4143500 - Miscellaneous Services to the Public (1425, 211) | 15,000 | 17,000 | 17,000 |
| 4163000 - Investment Income - Surplus Money Investments (1503 2503) | 176,000 | 176,000 | 176,000 |
| Transfers and Other Adjustments: | | | |
| Total Revenues, Transfers, and Other Adjustments | \$ 78,161,000 | \$ 91,032,000 | \$123,109,000 |
| Total Resources | \$154,877,000 | \$158,225,000 | \$147,702,000 |
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS | | | |
| Expenditures: | | | |
| 4170 Department of Aging (State Operations) | - | 400,000 | 400,000 |
| 4265 Department of Public Health | | | |
| State Operations | 91,291,000 | 136,746,000 | 149,309,000 |
| Local Assistance | | | 43,000 |
| 8880 Financial Information System for CA (State Operations) | 93,000 | 186,000 | 165,000 |
| Expenditure Adjustment | | | |
| Less Funding Provided by the General Fund | (3,700,000) | (3,700,000) | (3,700,000) |
| Total Expenditures and Expenditure Adjustments | \$ 87,684,000 | \$133,632,000 | \$146,217,000 |
| FUND BALANCE | \$ 67,193,000 | \$ 24,593,000 | \$ 1,485,000 |

Appendix F (Continued)

Fund Condition Statements

3151 - Internal Health Information Integrity Quality Improvement Account

| | 2014-15 | 2015-16 | 2016-17 |
|---|-----------------|-------------|-------------|
| BEGINNING BALANCE | \$ 6,000 | \$ 3,000 | \$ - |
| Prior year adjustments | (3,000) | | |
| Adjusted Beginning Balance | \$ 3,000 | \$ 3,000 | \$ - |
| REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS | | | |
| Revenues: | | | |
| 416300 - Investment Income - Surplus Money Investments (1503, 2503) | - | - | - |
| Transfers and Other Adjustments: | | | |
| Total Revenues, Transfers, and Other Adjustments | \$ - | \$ - | \$ - |
| Total Resources | \$ 3,000 | \$ 3,000 | \$ - |
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS | | | |
| Expenditures: | | | |
| 0530 - Secretary for California Health and Human Services Agency | | | |
| State Operations | - | | |
| 4265 - Department of Public Health | | | |
| State Operations | - | 3,000 | - |
| 8880 Financial Information System for CA (State Operations) | - | | |
| Total Expenditures and Expenditure Adjustments | \$ - | \$ 3,000 | \$ - |
| FUND BALANCE | \$ 3,000 | \$ - | \$ - |

Appendix F (Continued)

Fund Condition Statements

094200222 Internal Departmental Quality Improvement Account

| | 2014-15 | 2015-16 | 2016-17 |
|---|----------------------|----------------------|----------------------|
| BEGINNING BALANCE | \$ 14,188,000 | \$ 15,945,000 | \$ 17,859,000 |
| Prior year adjustments | 3,000 | | |
| Adjusted Beginning Balance | \$ 14,191,000 | \$ 15,945,000 | \$ 17,859,000 |
| REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS | | | |
| Revenues: | | | |
| 4172220 Fines and Penalties - External - Private Sector | 4,264,000 | 4,172,000 | 4,172,000 |
| 4163000 Investment Income - Surplus Money Investment | 42,000 | 45,000 | 45,000 |
| Transfers and Other Adjustments: | | | |
| Total Revenues, Transfers, and Other Adjustments | \$ 4,306,000 | \$ 4,217,000 | \$ 4,217,000 |
| Total Resources | \$ 18,497,000 | \$ 20,162,000 | \$ 22,076,000 |
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS | | | |
| Expenditures: | | | |
| 4265 Department of Public Health | | | |
| State Operations | 2,552,000 | 2,303,000 | 2,304,000 |
| Total Expenditures and Expenditure Adjustments | \$ 2,552,000 | \$ 2,303,000 | \$ 2,304,000 |
| FUND BALANCE | \$ 15,945,000 | \$ 17,859,000 | \$ 19,772,000 |

Appendix F (Continued)

Fund Condition Statements

94200248 - Skilled Nursing Facility Minimum Staffing Penalty Account

| | 2014-15 | 2015-16 | 2016-17 |
|--|-------------|-------------|-------------|
| BEGINNING BALANCE | \$ 28,000 | \$ - | \$ - |
| Prior year adjustments* | 19,000 | | |
| Adjusted Beginning Balance | \$ 47,000 | \$ - | \$ - |
| REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS | | | |
| Revenues: | | | |
| 4172220 Fines and Penalties - External - Private Sector | 439,000 | 630,000 | 630,000 |
| Transfers and Other Adjustments: | | | |
| Revenue Transfer from Special Deposit Fund (0942) to Skilled Nursing Facility Quality and Accountability Special Fund (3167) per Welfare and Institutions Code 14126.022 (g) | (486,000) | (630,000) | (630,000) |
| Total Revenues, Transfers, and Other Adjustments | \$ (47,000) | \$ - | \$ - |
| Total Resources | \$ - | \$ - | \$ - |
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS | | | |
| Expenditures: | | | |
| 4265 Department of Public Health | | | |
| State Operations | | | |
| Total Expenditures and Expenditure Adjustments | \$ - | \$ - | \$ - |
| FUND BALANCE | \$ - | \$ - | \$ - |

* Prior year adjustments changed to correct rounding discrepancy so that fund balance remains zero

Appendix F (Continued)

Fund Condition Statements

094200601 State Health Facilities Citation Penalties Account

| | 2014-15 | 2015-16 | 2016-17 |
|--|---------------------|---------------------|---------------------|
| BEGINNING BALANCE | \$ 11,961,000 | \$ 9,869,000 | \$ 7,957,000 |
| Prior year adjustments | 20,000 | | |
| Adjusted Beginning Balance | \$ 11,981,000 | \$ 9,869,000 | \$ 7,957,000 |
| REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS | | | |
| Revenues: | | | |
| 4172220 Fines and Penalties - External - Private Sector | 2,115,000 | 2,391,000 | 2,391,000 |
| 4163000 Investment Income - Surplus Money Investment | 32,000 | 34,000 | 34,000 |
| Transfers and Other Adjustments: | | | |
| Transfer from Special Fund (0942) to General Fund (0001), per Health and Safety Code Section 1417.2 (b) and GC 16300 | (3,072,000) | | |
| Total Revenues, Transfers, and Other Adjustments | \$ (925,000) | \$ 2,425,000 | \$ 2,425,000 |
| Total Resources | \$ 11,056,000 | \$ 12,294,000 | \$ 10,382,000 |
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS | | | |
| Expenditures: | | | |
| 4170 Department of Aging | | | |
| State Operations | 93,000 | 99,000 | 99,000 |
| Local Assistance | 1,094,000 | 2,094,000 | 1,094,000 |
| 4265 Department of Public Health | | | |
| State Operations | - | 2,144,000 | 2,144,000 |
| Total Expenditures and Expenditure Adjustments | \$ 1,187,000 | \$ 4,337,000 | \$ 3,337,000 |
| FUND BALANCE | \$ 9,869,000 | \$ 7,957,000 | \$ 7,045,000 |

Appendix F (Continued)

Fund Condition Statements

094200605 Federal Health Facilities Citation Penalties Account

| | 2014-15 | 2015-16 | 2016-17 |
|--|---------------------|---------------------|---------------------|
| BEGINNING BALANCE | \$ 3,848,000 | \$ 6,456,000 | \$ 7,487,000 |
| Prior year adjustments | 12,000 | | |
| Adjusted Beginning Balance | \$ 3,860,000 | \$ 6,456,000 | \$ 7,487,000 |
| REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS | | | |
| Revenues: | | | |
| 4172240 Fines and Penalties - External - Federal | 2,847,000 | 1,987,000 | 1,987,000 |
| 4163000 Investment Income - Surplus Money Investment | 14,000 | 17,000 | 17,000 |
| Transfers and Other Adjustments: | | | |
| Total Revenues, Transfers, and Other Adjustments | \$ 2,861,000 | \$ 2,004,000 | \$ 2,004,000 |
| Total Resources | \$ 6,721,000 | \$ 8,460,000 | \$ 9,491,000 |
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS | | | |
| Expenditures: | | | |
| 4265 Department of Public Health | | | |
| State Operations | 265,000 | 973,000 | 398,000 |
| Local Assistance | | | 575,000 |
| Total Expenditures and Expenditure Adjustments | \$ 265,000 | \$ 973,000 | \$ 973,000 |
| FUND BALANCE | \$ 6,456,000 | \$ 7,487,000 | \$ 8,518,000 |